

To Secretary Johanns:

Welcome to Tuskegee University. My name is Robert Zabawa. I am a professor here at Tuskegee University and I am the director of our 2501 Program.

Today, I would like to address *Questions No. 3: How should farm policy be designed to effectively and fairly distribute assistance to producers?* and *5: How can Federal rural and farm programs provide effective assistance in rural areas?*

In my professional experience in providing technical assistance and outreach to farmers in the rural south, I have found the 2501 program to be most effective in reversing the decline of socially disadvantaged farmers and ranchers across the United States. The intended outcome of the 2501 program is to encourage and assist socially disadvantaged farmers and ranchers to participate in agricultural programs, own and operate their own farms and ranches, and thus allow them to become an integral part of the agricultural community and strengthen the rural economy.

Since its implementation at Tuskegee University in 1994, the program has produced significant results:

- We have assisted more than 31 farmers obtain farm ownership loans for a total of \$2,525,500;
- We have assisted 186 farmers obtain farm operating loans for a total of \$2,036,500;
- We have assisted 143 young people to go into business by obtaining youth loans for a total of \$760,000;
- We have moved 59 families into the American dream of home ownership with housing loans for a total of \$1,950,000;
- And, where it also counts, participating farm families have seen their net income increase.

Despite its clear record of success, the 2501 Program continues to face significant challenges in the future. To meet these challenges, I would request the following changes be made to the 2501 Program:

- **Full funding at authorized level**

The 2501 program has never been fully funded to its authorized level of \$25 million. With an increase in clientele served, and an increase in the number of eligible service providers needed, combined with chronic and new issues pertinent to small and socially disadvantaged farmers that need to be addressed, full support at the \$25 million level is essential.

Full funding would also allow for an expansion of services to include: Native American, Hispanic American, and new immigrant groups. Small and socially disadvantaged farmers still participate to a lesser degree in USDA and other programs for which they are eligible. Full funding is critical to address this issue.

- **Mission Based Funding**

Funding to universities and community based organizations with a true mission and history to work with the targeted population groups promotes success. Limited funding and an increase in eligible institutions receiving funds have diluted the effectiveness of the 2501 program by decreasing the amount of funding to each program.

- **Permanent funding through a line item in the USDA budget**

Funds for 2501 have been allocated from various sources, including agency funds (FmHA, NRCS, etc.), Department level funds (Office of the Undersecretary discretionary funds), and project funds (NRI). Stability of funding is critical and a line item will ensure that funds are available on a timely basis.

- **Multi-year commitments with project institutions**

Currently, project support is contingent on the annual appropriations process. Consistent and effective outreach requires continuity of service and rapport building over more than 12-month intervals. Therefore, multi-year project commitments (for example, the five-year Farm Bill horizon) are critical for the success of this program.

- **Stability and Consistency of Federal Leadership**

Assigning the 2501 Program to the Office of Civil Rights will give the program the stability and consistency of leadership that grantee universities and organizations need. It will also stabilize the mission of the program and give the proper context to the work that is needed in order to save the land base for rural minority communities.

Thank you.

August 25, 2005

Contact Information:

Robert Zabawa

G.W. Carver Agricultural Experiment Station, 100 Campbell Hall

Tuskegee University, Tuskegee, AL 36088

Phone: 334-727-8114

Fax: 334-724-4451

Email: zabawar@tuskegee.edu